

Exhibit B to FY 2021-22 Mid-Year Budget Report

Summary Discussion of Department Mid-Year Projections

General Government

Board of Supervisors – Net County Cost savings of \$80,000

The Board of Supervisors is projecting \$80,000 in savings primarily due to vacancies in the first half of the fiscal year.

Chief Administrative Office – Net County Cost savings of \$301,800

The Chief Administrative Office Administration and Budget Division is projecting a net savings of \$200,000 in Salaries and Benefits due to vacancies.

The Parks, River and Trails Division anticipates a net overage of \$27,000 due primarily to added Salaries and Benefits costs due to the Caldor Fire response.

The Central Services Division is anticipating a net savings of approximately \$78,800. This savings is primarily from \$97,000 in Salaries and Benefits savings in the Procurement and Contracts unit due to vacancies. The Facilities unit is projecting \$36,800 in Salaries and Benefits savings from multiple vacancies. The savings are offset in part by a \$55,000 increase in costs due to work performed by the Community Development Finance and Administration unit in response to the Caldor Fire.

The Emergency Medical Services and Preparedness Division anticipates a net savings of \$50,000. Vegetation Management is anticipated to have approximately \$125,000 in salary savings due to vacancies in the program, and offset by staff being dedicated to Caldor Fire and COVID response activities. The Division plans to utilize \$75,000 of the savings to fund a defensible space inspection contract, or alternatively, the hiring of extra-help defensible space inspectors, resulting in a net savings for the Division of \$50,000.

Auditor-Controller – Net County Cost savings of \$153,355

Revenues are projected to exceed budget by \$8,739, due mainly to increases in assessment and tax collection fees arising from the cost recovery for accounting services to place direct taxes on the tax bill and the 5% administrative fee for supplemental taxes. Expenditures savings of approximately \$144,616 are attributable to Salaries and Benefits savings related to vacancies.

Treasurer-Tax Collector – Net County Cost increase of \$47,000.

Department revenue as a whole is anticipated to be approximately \$76,000 lower than budgeted due to decreases in business license activity, penalties and fees collected. The Department also anticipates a \$47,000 increase in Salaries and Benefits costs due to salary schedule increases. These overages are offset in part by negotiated savings in banking and Host Compliance contracts (\$46,000), utilizing IT to upgrade an existing database solution rather than purchase the Megabyte Tax Sale Module (\$25,000), and the purchase of a new envelope opener that will result in cost savings (\$5,000). The Department and CAO will monitor the budget and return with a budget transfer later in the fiscal year if it is still needed at that time.

Assessor – No anticipated change to Net County Cost

County Counsel – No anticipated change to Net County Cost

Information Technologies – Net County Cost savings of \$123,000

Salaries and Benefits are projected to fall below budget by \$213,000 due to vacancies. Savings of \$83,000 in Fixed Assets is due mainly to a delay in the implementation of the Accounts Receivable and General Billing functions of the financial system. Services and Supplies will exceed budget by approximately \$173,000, due mainly to higher than anticipated Microsoft 365 (M365) licensing costs and replacement of devices for departments migrating off the Virtual Desktop Infrastructure to the Virtual Private Network platform, which is necessary for the Countywide implementation of M365.

Recorder Clerk – No anticipated change in Net County Cost

Elections – Net County Cost savings of \$61,000

The Elections Department is projecting to have \$61,000 in savings primarily due to unused funding provided to the County for the Statewide Recall Election that can be used to offset costs of the June 7, 2022, Election.

Human Resources-Risk Management – Net County Cost savings of \$262,088

Human Resources is projecting \$211,930 in Salaries and Benefits savings primarily due to vacancies and the underfill of two positions within the department. The remainder of savings is in Services and Supplies from lower-than-anticipated professional services expenses.

Law & Justice

Grand Jury – No change to Net County Cost

Alternate Public Defender (including Indigent Defense) – Net County Cost Savings of \$725,000

The Office of the Alternate Public Defender anticipates Net County Cost savings of \$225,000, mainly in Salaries and Benefits (\$172,000) due to vacancies early in the year as the new department was bringing on staff, as well as lower-than-anticipated health benefit and CalPERS cost-applied charges. In addition, Services and Supplies savings of approximately \$53,000 are due mainly to the department not being included in the General Liability cost applied schedule for this fiscal year.

The indigent defense program, which handles cases in which both the Public Defender and Alternate Public Defender have conflicts of interest, anticipates savings of approximately \$500,000, which will be rebudgeted in FY 2022-23 for a continuing complex murder trial.

District Attorney – Net County Cost savings of \$1,053,000

The Department's savings projection of \$970,000 has been increased by \$83,000 to be consistent with the CAO's countywide projection of Public Safety Sales Tax (Proposition 172) for a total projected savings of \$1,053,000. Overall, revenue is projected to be \$29,000 higher than budgeted. This is the result of an increase in Public Safety Sales Tax of \$491,000 offset by reduced grant revenue of \$462,000. The reduced grant revenue is due to lower-than-expected expenditures in grant-funded programs, primarily in Salaries and Benefits.

Expenditure savings are projected at \$1,023,000, due mainly to Salaries and Benefits savings (\$1,493,000), which are partially offset by increased Services and Supplies related to the Department's migration to M365, grant-related services, a security camera upgrade, and increased fuel and travel costs.

Public Defender – Net County Cost savings of \$140,000

Salaries and Benefits are projected to be \$100,000 below budget due to staff vacancies. Services and Supplies savings of \$22,000 are attributable to reduced need for trial-related professional services and reduced computer software expenditures. Revenues will exceed budget by \$18,000 overall. Public Safety Sales Tax is expected to come in \$147,000 higher than budgeted. However, that increase is offset by reductions in grant revenue due to vacancies in grant-funded staffing and reduced revenue from service charges due to a delayed implementation of the department's billing for conservatorship cases.

Sheriff – Net County Cost savings of \$4,983,000

Savings in Salaries and Benefits are projected at \$500,000, due to vacancies. Services and Supplies savings due to supply shortages and savings realized through competitive bidding and bulk ordering are estimated at \$800,000, about 6.5% of the total budget. Public Safety Sales Tax revenue is anticipated to exceed budget by \$3,683,000.

Probation – Net County Cost savings of \$839,000

The Department's savings projection of \$250,000 has been adjusted up by \$589,000 to be consistent with the CAO's countywide projection of Public Safety Sales Tax (Proposition 172) for a total projected savings of \$839,000. Overall, revenue is projected to be \$515,000 higher than budgeted, due mainly to the increase in Public Safety Sales Tax.

Expenditure savings are projected at \$324,000, due mainly to savings in Services and Supplies across several line items and in Support & Care due to reduced juvenile placements in outside facilities.

Land Use and Development Services

Surveyor – No change to Net County Cost

Revenue for the Surveyor's Office is projected at \$42,000 above budget due to a projected increase in Map Checking fees and charges for services. The department also anticipates a savings of \$130,000 in Salaries and Benefits due to vacancies, and \$22,000 savings in Services and Supplies, offset by a decrease in Intrafund Abatements of \$14,000 due to a decrease in the work needed for a Parks project. The savings is proposed to be redistributed to complete the aerial imagery project (estimated at \$80,000) and obtaining engineering services (estimated at \$100,000) for Caldor Fire-required surveying for the rebuilding efforts.

Agriculture – No change to Net County Cost

Unclaimed Gas Tax Revenue (UGT) for FY 2021-22 may be less than budgeted due to the Department's inability to maintain the five-year average of General Fund spending (Maintenance of Effort) for FY 2020-21 by \$13,337. The amount budgeted is \$477,969. A letter was sent to the California Department of Agriculture in January to explain this discrepancy and request that the full amount of UGT be distributed. At this time, it is assumed that this request will be honored and there will be no change to net County Cost associated with decreased revenue.

Transportation – No change to Net County Cost

Fund Type 10 – (General Fund) - County Engineer – It is projected that overall, the DOT County Engineer Org will remain at budget in FY 2021-22.

Fund Type 11 (Special Revenue Fund) – It is projected that the Road Fund will be under budget by \$642,000. Road Fund revenue is estimated to be over budget by \$268,000, primarily due to increased Highway user tax revenue, as estimated by the California State Association of Counties on January 11, 2022, and anticipated interest revenue due to the Road Fund positive cash balance. Salaries and benefits savings are expected at \$1,400,000 due to difficulty in filling vacant positions. This budgeted savings is offset in part by an increase of \$888,000 in construction projects Services and Supplies, and an increase of \$56,000 in administrative staff billings.

Fund Type 32 – (Internal Service Fund) - Fleet Operations – It is projected that Fleet will be under budget for revenue and expenses by approximately \$235,000. Revenue increased due to three large accident reimbursements from insurance carriers for Fleet Vehicles (\$60,000) and the sale of end-of-life vehicles (\$70,000). In addition, Salaries and Benefits are expected to be under budget by \$50,000, and a \$55,000 reduction in Administration service charges is anticipated.

Planning and Building - Net County Cost savings of \$2,334,000.

Planning and Building – Fund Type 10 (General Fund) – It is projected that overall, Building and Planning Orgs in this Fund Type will be under budget by \$2,334,000. Revenues are anticipated to be under budget by approximately \$1,240,000, primarily due to decreased project billings, and offset in part by increased permit activity. Expenditures are anticipated to be under budget by approximately \$3,574,000, due to savings in contract billings and in Salaries and Benefits costs due to the number of vacancies.

Fund Type 11 (Special Revenue Fund) - Housing, Community Economic Development, and Fund Type 51, Airports are expected to remain at budget with no change to Net County Cost.

Environmental Management – No Change to Net County Cost

Revenues are anticipated to be lower than budgeted by approximately \$365,000, due primarily to decreases in sanitation fees. Expenditures are anticipated to be under budget by the same amount due to anticipated salary savings and a reduction in General Fund Org costs. These savings in expenditures will carry forward to next year's fund balance.

Health and Human Services

Health and Human Services Agency (HHS A)

HHS A is projecting an overall estimated decrease of \$525,000 from budget in General Fund use. This reflects General Fund savings in all departments except for HHS A Administration and Financial Services Department and the Animal Services Department, which are due to Caldor Fire response expenses. As part of the Caldor Fire response, Animal Services established emergency shelters to house and care for animals displaced by the fire. Expenses related to Caldor Fire response were not included in the FY 2021-22 Budget. HHS A is currently analyzing all Caldor-related expenses, processing FEMA reimbursement claims, and working with the Chief Administrative Office to determine the need for additional General Fund support from the Caldor Fire Relief designation.

The increased costs of Caldor Fire response are offset agencywide with Salaries and Benefits savings from a higher-than-normal vacancy rate of 19% which has remained higher than normal since the beginning of the pandemic. This is compared to a 11% vacancy rate as of mid-year in FY 2018-19, with current divisional vacancy rates as high as 28%. These Salaries and Benefits savings are offsetting Board-approved compensation increases during the second half of the fiscal year.

HHS A FY 2021-2022 Budget and Projections by Department

HHS A Administration and Financial Services (Dept. 50) – Net County Cost increase of \$72,000

The Administration and Financial Services department is projecting approximately \$72,000 in expenses exceeding budget related to Caldor Fire response. HHS A is seeking FEMA reimbursement for eligible expenses, but does not anticipate reimbursement in this fiscal year.

Social Services Department (Dept. 51) – Net County Cost savings of \$7,000

The Social Services Department projects a 0.2% decrease from budget in Net County Cost of \$7,000. HHS A is projecting that they will end the year with an additional \$3.2 million in Social Services realignment fund balance from budget. This is primarily due to receiving General Realignment Growth and cost savings that include Salaries and Benefits savings, additional funding for housing, and continued decreased Foster Care Assistance demand. All of which are partially offset by an estimated \$1 million in overspent CalFresh allocations, due to an increase in recipients for the food benefits program due to the pandemic shut downs that has a County share of administrative costs. This additional Social Services realignment fund balance is needed to mitigate anticipated budgetary pressures from continued reductions in federal funding for Child Welfare Programs, statutory annual

increases for In-Home Supportive Services costs, and increased realignment support of extended foster care costs.

Community Services Department (Dept. 52) - General Fund savings of \$553,000

The Community Services Department (CSD) consists of two fund types: Fund 11 – Community Service programs, and Fund 13 – Public Housing Authority (PHA) and In-Home Supportive Services Public Authority (IHSS PA).

CSD Fund 11 programs are projected to have a General Fund savings of \$460,000. The programs include CSD Administration, Low Income Heating and Energy Assistance Programs (LIHEAP), Housing & Homelessness Programs, Adult Day Services (The Club), and Area Agency on Aging (AAA) programs, such as the Senior Center, Senior Nutrition, and Senior Legal. AAA programs are projecting a General Fund savings of \$329,000. The Community Services Administration sub fund is projecting General Fund savings of \$130,000. The savings are mostly due to Salaries and Benefits savings and increased ARPA funding that is being passed through the California Department on Aging and the California Community Services Department.

Fund 13 - Public Housing Authority (PHA) and In-Home Supportive Services Public Authority (IHSS PA) are projecting \$92,000 in Net County Cost savings. PHA is projecting a General Fund savings of \$46,000 that is primarily related to Salaries and Benefits savings in addition to a small increase in administrative revenue. IHSS PA is projecting a General Fund savings of \$46,000 that is primarily due to Salaries and Benefits savings.

Behavioral Health Department (Dept. 53) – No anticipated change in Net County Cost

HHSA is currently projecting an additional \$1.8 million in Behavioral Health realignment fund balance at the end of the fiscal year. The additional realignment fund balance is due to the Board-approved use of American Rescue Plan Act funding for eligible costs of Psychiatric Health Facility (PHF) and Institute for Mental Disease (IMD) placements, a 66% decrease in realignment-funded contracted Traditional children's services costs, and \$270,000 in increased 1991 Realignment receipts. Despite these savings and increases in funding, the department has seen an 8% increase in IMD placements and continues to see increased "administrative" bed days at the PHF which increase realignment expenses.

Public Health Department (Dept. 54) – General Fund savings of \$150,000

The Public Health Department is currently projecting \$150,000 in decreased General Fund contributions primarily from savings in the California Children Services program. HHSA is also projecting \$2.01 million in additional Public Health realignment fund balance from budget at the end of the fiscal year primarily due to increased grants and other coronavirus pandemic specific funding, in addition to Salaries and Benefits savings from a 26% vacancy rate in the Public Health Department.

Animal Services (Dept. 55) – Net County Cost increase of \$196,000

The Animal Services Department is projected to have a Net County Cost increase of \$196,000 from budget. The projected increase is due to Caldor Fire response, which is currently estimated to cost \$416,000. The projection does not include the cost of mutual aid that could become the responsibility of the county if FEMA denies the claims, but these possible expenses will not be incurred until FEMA denies the claim in future fiscal years. It is anticipated that some funding from the Pet Aid fund could be used to cover Pet Aid eligible expenses that are not eligible for FEMA reimbursement. Once FEMA claims are finalized, HHSA will be able to estimate the Caldor Fire costs that cannot be reimbursed by other sources. HHSA and the Chief Administrative Office are determining how much additional General Fund support from the Caldor Fire Relief designation is necessary to ensure Animal Services has sufficient appropriations to provide mandated services for the remainder of the fiscal year, and will provide the Board with an update later in the fiscal year.

Public Guardian Program (Dept. 56) – Net County Cost savings of \$17,000

Public Guardian is projecting \$17,000 in Net County Cost savings as a result of Salaries and Benefits savings from newly filled positions that were filled at lower steps or health insurance costs than included in the FY 2021-22 Budget.

Veteran Affairs (Dept. 42) – Net County Cost savings of \$66,000

Veteran Affairs is projecting Salaries and Benefits savings from newly filled positions that were filled at lower steps or health insurance costs than included in the FY 2021-22 Budget, reducing Net County Cost by approximately \$66,000.

Library – No anticipated change in Net County Cost

The department is projecting that departmental savings will offset a projected \$333,000 in Salaries and Benefits increases during the second half of the fiscal year. If later in the year there are not enough savings to cover these costs, the department will bring a budget transfer reducing contingency in the County Service Area 10 library services special taxes account.

Child Support Services – No anticipated change in Net County Cost

The department is projecting higher-than-anticipated Salaries and Benefits costs as a result of Board-approved compensation increases. To offset these increased costs the department is holding one position vacant and will receive \$104,717 in reallocation funding from the California Department of Child Support Services that the County department requested.